



Missouri Division of Workforce Development  
DWD Issuance 15-2017

Issued: December 14, 2017  
Effective: December 14, 2017

**Subject:** Statewide Sub-state Monitoring Policy

1. Purpose: This Issuance updates the Division of Workforce Development (DWD) Sub-state Monitoring Policy for Local Workforce Development Areas (LWDAs) designated under the Workforce Innovation and Opportunity Act (WIOA).<sup>1</sup> Technical revisions conform to federal and State laws, regulations, and policies that have been updated or finalized since the issuance of the previous guidance,<sup>2</sup> which this Issuance supersedes and rescinds.

2. Background: WIOA mandates **program oversight**<sup>3</sup> responsibilities that, in partnership with the Chief Elected Official (CEO), are inherent functions of the Local Workforce Development Board (Local WDB) serving an LWDA:<sup>4</sup>

*The local board, in partnership with the chief elected official for the local area, shall—*  
(A)(i) *conduct oversight for local youth workforce investment activities authorized under section 129(c), local employment and training activities authorized under subsections (c) and (d) of section 134, and the one-stop delivery system in the local area; and*  
(ii) *ensure the appropriate use and management of the funds provided under subtitle B<sup>5</sup> for the activities and system described in clause (i); and*  
(B) *for workforce development activities, ensure the appropriate use, management, and investment of funds to maximize performance outcomes under section 116.*

Subparagraphs A(ii) and B above refer to WIOA local oversight responsibilities.

Further, the U.S. Department of Labor (DOL) implementing regulations for WIOA at 20 CFR 683.410(a), require:<sup>6</sup>

(a) *Each recipient and subrecipient of funds under title I of WIOA and under Wagner-Peyser must conduct regular oversight and monitoring of its WIOA and Wagner-Peyser program(s) and those of its subrecipients and contractors as required under title I of WIOA and Wagner-Peyser, as well as under 2 CFR part 200, including 2 CFR 200.327, 200.328, 200.330, 200.331, and Department exceptions at 2 CFR part 2900, in order to:*  
(1) *Determine that expenditures have been made against the proper cost categories and within the cost limitations specified in the Act and the regulations in this part;*  
(2) *Determine whether there is compliance with other provisions of the Act and the WIOA regulations and other applicable laws and regulations;*  
(3) *Assure compliance with 2 CFR part 200; and*

<sup>1</sup> Pub. L. 113-128 [29 U.S.C. 3101 et seq.].

<sup>2</sup> DWD Issuance 16-2015, “Statewide Sub-state Monitoring Policy,” March 30, 2016 [herein rescinded].

<sup>3</sup> WIOA Section 107(d)(8) [29 U.S.C. 3122(d)(8)].

<sup>4</sup> WIOA Section 116, “Performance Accountability System” [29 U.S.C. 3141].

<sup>5</sup> WIOA Subtitle B—Workforce Investment Activities and Providers.

<sup>6</sup> 20 CFR 683.410(a).

*(4) Determine compliance with the nondiscrimination, disability, and equal opportunity requirements of sec. 188 of WIOA, including the Assistive Technology Act of 1998 (29 U.S.C. 3003).*

These regulations establish requirements under the Uniform Guidance<sup>7</sup> for sub-state monitoring according to federal cost principles and audit requirements. This includes requiring an examination of subrecipient non-discrimination and conflict-of-interest policies, and mandatory disclosures of all violations of federal criminal law involving fraud, bribery or gratuity violations potentially affecting the federal award.

3. Substance: The oversight role of the State monitoring system (DWD's monitoring of Areas) includes issuing additional requirements and monitoring instructions to subrecipients on monitoring activities.<sup>8</sup> This Issuance discusses the monitoring requirements for Boards and includes an offer of technical assistance from DWD upon request.
4. Action: This Issuance is effective immediately. Each Board must review its local sub-state monitoring plan for compliance with this statewide policy. The sub-state monitoring plan is a required component (Attachment 9) of the Local Plan for the Area.<sup>9</sup>
5. Contact: Please direct questions or comments regarding this issuance to the DWD Quality Assurance Manager at (573) 522-3015, or email [steve.reznicek@ded.mo.gov](mailto:steve.reznicek@ded.mo.gov).
6. References: WIOA Section 107(d)(8) [[29 U.S.C. 3122\(d\)\(8\)](#)]  
[2 CFR Part 200](#)  
[2 CFR Part 2900](#)  
[DWD Issuance 14-2015](#), February 16, 2016
7. Rescissions: This Issuance supersedes and rescinds DWD Issuance 16-2015, "Statewide Sub-state Monitoring Policy," dated March 30, 2016.
8. Attachments: **Attachment 1:** Statewide Sub-state Monitoring Policy

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Auxiliary aids and services are available upon request to individuals with disabilities.  
Missouri TTY Users can call (800) 735-2966 or dial 7-1-1.



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<sup>7</sup> 2 U.S.C. Grants and Agreements, Chapter II—Office of Management and Budget Guidance, [Part 200](#) "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"; Chapter XXIX—Department of Labor, [Part 2900](#) "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"; and Chapter XXIX—Department of Labor, [Part 2998](#) "Nonprocurement Debarment and Suspension."

<sup>8</sup> [20 CFR 683.410\(b\)\(6\)](#).

<sup>9</sup> [DWD Issuance 14-2015](#), "Planning Policy and Guidelines for Missouri Local Workforce Development Boards," Feb. 16, 2016.



## **Statewide Sub-State Monitoring Policy**

The State and Local Workforce Development Boards (Local WDBs) must develop, and maintain on file, written policy and procedures for monitoring subrecipient compliance with the terms of grants, contracts, or other agreements pursuant to Workforce Innovation and Opportunity Act (WIOA)<sup>1</sup> Title I Workforce Development Activities.<sup>2</sup>

The following minimum elements and standards must be included in the Local WDB's sub-state monitoring plan:

1. ***Responsible Representative***—Each Local WDB must identify who will perform the oversight functions. Local policies must address the organization and (if applicable) staff position that will perform any monitoring activities. The policies must outline the method of selecting the organization or staff position designated to perform monitoring and demonstrate that monitor's firewalling (absence of conflict-of-interest) from the monitored duties and systems.
2. ***Accountability***—WIOA mandates that the Local WDB and the Chief Elected Official (CEO) are responsible, in partnership, for oversight of WIOA Title I programs.<sup>3</sup> Local Workforce Development Area (LWDA) monitors must submit an annual report each Program Year to their Local WDB and CEO so they can fulfill that oversight responsibility.
3. ***Compliance and Performance***—The Division of Workforce Development (DWD) requires an annual monitoring report to each Local WDB and CEO regarding **compliance** with the terms and conditions of each contractual scope of work. Monitors also must provide subrecipient and LWDA **performance** reviews to the Local WDBs and CEOs on an annual basis. Other areas to cover in monitoring reports are the adequacy of assessment, planning of activities and services, coordination with One-Stop Delivery System partners to meet the comprehensive needs of customers, and customer outcomes. The regulations implementing WIOA require that when monitoring identifies problems, they must be resolved by prompt and appropriate corrective action.<sup>4</sup>

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<sup>1</sup> Pub. L. 113-128 [[29 U.S.C. 3101 et seq.](#)].

<sup>2</sup> WIOA Section 185(c) [[29 U.S.C. 3245\(c\)](#)].

<sup>3</sup> WIOA sec. 107(d)(8) [[29 U.S.C. 3122\(d\)\(8\)](#)].

<sup>4</sup> [20 CFR 683.420\(a\)](#).

4. **Compatibility**—Policies must demonstrate that the Local WDB’s programmatic and operational oversight systems effectively measure compliance in a manner compatible with WIOA regulations and DWD policies.
5. **Quality Assurance**—Policies must include a review of program quality and provide for continuous improvement of service delivery. LWDA monitoring efforts should include a comprehensive examination of compliance issues cited in prior federal, State, and local reviews. A written determination should state whether corrective measures taken to address those issues have proven effective.
6. **Methodology and Target Universes**—Monitors must use random-sampling techniques in participant file reviews to test **compliance in every funding stream for which the Local WDB has a contract with DWD**.

When reviewing WIOA Adult and Dislocated Worker participant records, combine the two funding streams, then sample by service. Each Program Year, the Local WDB must monitor a separate statistically valid sample of Adult and Dislocated Worker participants enrolled in **each** of the following services:

- Classroom Training;
- On-the-Job Training;
- Work experience/Internship/Apprenticeship;
- Supportive Services/Needs-related payments; and
- Any other services that result in a **direct payment** being made to, or on behalf of, a participant.

Depending on the size of each record set requiring review, the corresponding number of sample records shown below, *at a minimum*, must be examined. These guidelines are applicable for every review.<sup>5</sup>

<u>Record Set Size</u>	<u>Sample Size</u>
1–200	69
201–300	78
301–400	84
401–500	87
501–1,000	96
1,001–2,000	100
2,001–10,000	105

This table is for a random sampling with a confidence level of 90 percent and a margin of error of 8 percent.

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<sup>5</sup> Sample size based on algorithmic tables for simple random sampling developed by The Research Advisors, Franklin, MA ©2006.

7. At a minimum, review participant records for:

- Documentation of participant eligibility and/or priority for the programs and services received;
- Orientation to services;
- Signed acknowledgement from the participant that notification of complaint and grievance rights and procedures was received;
- Justification for the provision of Individualized Career Services or Training services;
- Method of assessment;
- Employment planning;
- Individual Training Accounts;
- Appropriateness and accuracy of participant payments (i.e., Supportive Services);
- Appropriate data entry; and
- Posting of outcomes, including the attainment of a degree or certificate and any supplemental employment data.

Local monitors must ensure Youth monitoring procedures account for WIOA requirements, such as:

- Out-of-School Youth 75 percent expenditure requirement;
- 20 percent work-based learning with educational component requirement;
- Five percent limit on In-School Youth enrolled with the “Requires additional assistance” barrier; and
- Five percent over-income exception.

8. The Local WDB must conduct an annual on-site **Financial Monitoring Review** (FMR) of subrecipients to ensure fiscal integrity. Additional reviews may be warranted, based on the evaluations of risk of noncompliance. The FMR will be performed to comply with WIOA section 184(a)(4) [[29 U.S.C. 3244\(a\)\(4\)](#)], annual DWD agreements, and 2 CFR [Part 200](#) and [Part 2900](#). This Review is to ensure the adequacy of internal controls and the reliability of the subrecipient’s financial management system as they relate to the administrative subaward. This Review must ensure that the subrecipient meets the terms and conditions of the subaward and the fiscal goal or requirements, and that amounts reported are accurate, allowable, supported by documentation, and properly allocated. The Review must result in a written report to the Local WDB identifying areas of noncompliance and recommendations to remedy. The FMR must include, but is not limited to, reviews of the following process:

- Audit Resolution/Management Decision;
- Financial Reports;
- Internal Controls;
- Source Documentation;
- Cost Allocation;
- Cash Management; and
- Procurement.

9. Local WDBs must incorporate **additional financial and programmatic monitoring policies** to ensure funds intended to support stand-alone summer youth programs or other **special initiatives** are administered in accordance with the contractual scopes of work. These policies are to **supplement** existing monitoring duties and must be conducted **during** program operation to assure accountability and transparency of expenditures.